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Rothstein, Kass & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

April 10, 1997

Re: Genesis Capital Fund, L.P.
42-1339803
December 31, 1996

Dear Partner:

Attached is a copy of Schedule K-1, Form 1065 which lists your distributive share of the Partnership's taxable income (loss) for the year ended December 31, 1996. These amounts are to be reported on your 1996 Income Tax Returns.

In connection with the information included on the attached copy of Federal Schedule K-1, please note the following:

In preparing the partnership return, the partnership has taken the position that the partnership is engaged in the active conduct of a business as a trader in securities. The trading operation is not "passive" as to any general or limited partner. In addition, income from the trading operation, including capital gains, is not "portfolio" income. Each partner must individually determine whether or not the partner materially participated during 1996 in the activities of the partnership. Your material participation will affect the presentation and placement of partnership items on your tax return. Therefore, the K-1 and accompanying schedules have been prepared in such a manner that they may be used both by materially participating and non-materially participating partners. In preparing your tax return, some additional calculations are necessary using the amounts presented in order to properly report the partnership items. Specifically, whether or not a partner materially participates in the trader operation will affect the calculation of investment interest expense and investment income.

Exhibit "E"

Genesis Capital Fund, L.P.

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The net ordinary income (loss) of the trading operation has been reported without taking into account any deduction for interest expense attributable to the trading operation. A partner who materially participates in the trading operation, or a partner that is a "C" corporation, must reduce the net ordinary income or increase the net ordinary loss from the trading operation by the interest expense, which is separately reported on the K-1. A partner that does not materially participate (other than a "C" corporation) must report the net ordinary income as shown on the K-1 and must deduct the allocable interest expense as interest expense subject to the investment interest expense limitation.

The K-1 also includes income and expenses from the partnership's investments in other partnerships (pass-through entities). The partnership has reported income and deductions in the same manner as those items were reported to the partnership from the pass-through entities.

Your share of portfolio expenses are reflected on Line 10. Such amount should be deducted by individual partners on Schedule A of Form 1040 on line 22 - Miscellaneous Deductions Subject to 2% Adjusted Gross Income Limitation. Non-individual partners should refer to the instructions accompanying their tax returns.

Line 12a shows your share of the Partnership's investment interest expense. Each individual partner should deduct such interest expense after determining the limitation, if any, on Form 4952. For determining any limitation, lines 12b(1) and 12b(2) show your share of investment income and investment expenses, which are included in your "portfolio" income and expenses. For purposes of this calculation, capital gains (losses) and investment income from Lines 1 and 7 are not included in line 12(b)(1), but generally affect the computation of investment income.

The qualifying dividends represent the amount of dividends from less than 20 percent owned domestic corporations eligible for the dividends received deduction under IRC Section 243(a). These dividends should be reported on Form 1120, Schedule C, Line 1, Col. (a).

The non-qualifying dividends represent the amount of dividends not eligible for the dividends received deduction and should be reported on Form 1120, Schedule C, Line 17, Col. (a).

If you are a tax-exempt entity and you have gross income from an unrelated trade or business of \$1,000 or more, you must file Form 990-T. Unrelated business taxable income is reflected on Line #25 of Schedule K-1.

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If you are required to file a state income tax return, your share of interest income from obligations issued by the U.S. Government or its agencies and your share of expenses to carry such obligations are on line #25, of Schedule K-1.

Please provide the above information to your tax advisor.

If you have any questions, please feel free to contact Terence Meadowcroft or Joe Herman at (201) 994-6666.

Very truly yours,

ROTHSTEIN, KASS & COMPANY, P.C.

43325

SCHEDULE K-1

(Form 1065)
Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions

OMB No. 1545-0099

1996

For calendar year 1996 or tax year beginning

, 1996, and ending

, 19

Partner's identifying number ▶ 197-38-2295/163-46-2188

Partnership's identifying number ▶ 42-1339803

Partner's name, address, and ZIP code

Dr. William and Mrs. Patricia Steinbrink

122 Columbia Circle

Erie, PA 16505

Partnership's name, address, and ZIP code

Genesis Capital Fund, L.P.

1659 Highway One

Fairfield, IA 52556

- A This partner is a ☐ general partner ☒ limited partner
☐ limited liability company member
- B What type of entity is this partner? ▶ JOINT
- C Is this partner a ☒ domestic or a ☐ foreign partner?
- D Enter partner's percentage of:
- | | (i) Before change or termination | (ii) End of year |
|--------------------------------|----------------------------------|------------------|
| Profit sharing | % | VAR % |
| Loss sharing | % | VAR % |
| Ownership of capital | % | 6.9095 % |
- E IRS Center where partnership filed return: KANSAS CITY

F Partner's share of liabilities (see instructions):

Nonrecourse. \$

Qualified nonrecourse financing. \$

Other. \$

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded

partnership as defined in section 469(k)(2) ☐I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
7,262,287	0	(364,502)	(0)	6,897,785

(a) Distributive share item

(b) Amount

(c) 1040 filers enter the amount in column (b) on:

Income (Loss)	1	Ordinary income (loss) from trade or business activities.	1	977,470	} See pages 5 and 6 of Partner's Instructions for Schedule K-1 (Form 1065). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) or (g) Sch. D, line 13, col. (f) or (g) Enter on applicable line of your return. See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	2	Net income (loss) from rental real estate activities	2		
	3	Net income (loss) from other rental activities	3		
	4	Portfolio income (loss):			
	a	Interest	4a	1,348	
	b	Dividends	4b	47	
	c	Royalties	4c		
	d	Net short-term capital gain (loss).	4d	57,742	
	e	Net long-term capital gain (loss)	4e	60,537	
	f	Other portfolio income (loss) (attach schedule)	4f		
	5	Guaranteed payments to partner.	5	0	
6	Net gain (loss) under section 1231 (other than due to casualty or theft)	6			
7	Other income (loss) (attach schedule).	7	(952,119)		
Deductions	8	Charitable contributions (see instructions) (attach schedule)	8		} See page 7 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	9	Section 179 expense deduction	9		
	10	Deductions related to portfolio income (attach schedule)	10	21	
	11	Other deductions (attach schedule).	11		
Investment Interest	12a	Interest expense on investment debts.	12a	307,647	} Form 4952, line 1 See page 7 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	1,395	
		(2) Investment expenses included on line 10 above	b(2)	21	
Credits	13a	Low-income housing credit:			} Form 8586, line 5
		(1) From section 42(j)(5) partnerships for property placed in service before 1990	a(1)		
		(2) Other than on line 13a(1) for property placed in service before 1990	a(2)		
		(3) From section 42(j)(5) partnerships for property placed in service after 1989	a(3)		
		(4) Other than on line 13a(3) for property placed in service after 1989	a(4)		
	b	Qualified rehabilitation expenditures related to rental real estate activities	13b		} See page 8 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	c	Credits (other than credits shown on lines 13a and 13b) related to rental real estate activities	13c		
	d	Credits related to other rental activities	13d		
	14	Other credits	14		

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	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Self-employment	15 a Net earnings (loss) from self-employment	15a 0	Sch. SE, Section A or B See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	See page 8 and 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a Type of income ▶ DIVIDENDS & INTEREST		Form 1116, check boxes
	b Name of foreign country or U.S. possession ▶ VARIOUS		
	c Total gross income from sources outside the United States (attach schedule)	17c 36,325	Form 1116, Part 1
	d Total applicable deductions and losses (attach schedule)	17d 13,450	
	e Total foreign taxes (check one): <input checked="" type="checkbox"/> Paid <input type="checkbox"/> Accrued	17e 5,266	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	17f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	17g	See Instructions for Form 1116.
Other	18 Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065). Form 1040, line 8b
	b Amount	18b	
	19 Tax-exempt interest income	19	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	20 Other tax-exempt income	20	
	21 Nondeductible expenses	21 47	
	22 Distributions of money (cash and marketable securities)	22 0	
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		Form 8811, line 8
	a From section 42(j)(5) partnerships	24a	
b Other than on line 24a	24b		
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		
	See attached schedules		

SCHEDULE K-1 SUPPLEMENTAL INFORMATION

Partner's ID No. 197-38-2295/163-46-2188	Partnership's ID No. 42-1339803
Partner's name, address, and ZIP code Dr. William and Mrs. Patricia Steinbrink 122 Columbia Circle Erie, PA 16505	Partnership's name, address, and ZIP code Genesis Capital Fund, L.P. 1659 Highway One Fairfield, IA 52556

Line 25 - Supplemental information required to be reported separately to each partner:**Gain or Loss on Liquidation of Partnership Interest:**

You may have a gain or loss on your withdrawal from the partnership if this is a final K-1 to you. Please consult your tax advisor.

Item J, Column (c):

Unrealized appreciation/(depreciation)	\$ (182,967)
Timing differences	(13,579)
Tax-exempt interest & other tax-exempt income	0
Nondeductible expenses	(47)
Taxable income (loss)	(167,909)
Total	\$ (364,502)

Line 1 - Ordinary income (loss) from trade or business activities:

Interest income	\$ 436,833
Dividend income	26,736
Section 988 - Foreign Currency Transaction gain (loss)	383,687
Other ordinary income	219,265
Other ordinary expenses	(89,051)
Total	\$ 977,470

Line 7 - Other Income (loss):

Section 1256 net gain (loss)	\$ (695,259)
Net short term capital gain (loss)	(349,711)
Net long term capital gain (loss)	92,851
Total	\$ (952,119)

Line 10 - Deductions related to Portfolio income:

Administrative expenses	\$ 21
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Dividends Qualifying for 70% Dividend Received Deduction: 81.45%

Section 1256 memo information:

Section 1256 gain or loss should be included on Form 6781.

SCHEDULE K-1 SUPPLEMENTAL INFORMATION

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Partner's name, address, and ZIP code Dr. William and Mrs. Patricia Steinbrink 122 Columbia Circle Erie, PA 16505	Partnership's name, address, and ZIP code Genesis Capital Fund, L.P. 1659 Highway One Fairfield, IA 52556

Line 25 - Supplemental information required to be reported separately to each partner (continued):

Unrelated Business Taxable Income:

If you are a tax-exempt entity, your share of Unrelated Business Taxable Income (Loss) is reported below:

Ordinary Income (Loss):	\$	(1,258)
Short-Term Capital Gain (Loss):	\$	(36,798)
Long-Term Capital Gain (Loss):	\$	(5,314)

Foreign Taxes:

Described below are foreign countries from which income was earned and to which taxes were paid. Multiply your share of income, deductions and taxes paid by the percentage below to determine amounts allocable to each country for reporting on your Federal Income Tax Return.

Country	Gross Income- Line 17c %	Applicable Deductions and losses Line 17d %	Foreign taxes paid Line 17e %
VARIOUS	100.00	100.00	100.00
TOTAL	100.00	100.00	100.00

Interest Income from U.S. Obligations:

Included in interest income is your share of interest income from U.S.

Obligations: \$ 154,939

Your share of cost to carry U.S. Obligations is as follows:

Interest expense: \$ 8,182
Other expenses: \$ 3,032